GOVERNMENT OF TELANGANA
ABSTRACT

Metropolitan Area & Urban Development Department - Hyderabad Metropolitan Development Authority – Resource Mobilization – Issuance of Non-convertible Debentures /("Bonds") for infrastructure development - Permission Accorded – Orders – Issued.

METROPOLITAN AREA & URBAN DEVELOPMENT (Plg.I(1) DEPARTMENT

G.O.Ms.No. 4 **Dated: 07-01-2026**

Read the following:-

1. G.O.Ms.No.51, MA & UD Department, Dt. 05.02.1996.
2. Chapter VIII of the Hyderabad Metropolitan Development Authority Act, 2008.
3. G.O.Ms.No. 9, MA & UD (M1) Department, Dt. 05.01.2016.
4. G.O.Ms.No. 365, MA & UD (I2) Department, Dt. 22.09.2012, as amended by G.O.Ms.No. 5, MA & UD (PLG.II) Department, Dt. 12.01.2023.
5. From the Metropolitan Commissioner, Hyderabad Metropolitan Development Authority, Hyderabad ,Lr.No. 25/Accts/Budget/ HMDA/ 2024, Dt. 19.11.2024.
6. G.O.Ms.No. 592, MA & UD Department, Dt. 23.11.2024.
7. G.O.Ms.No. 215, MA & UD (PLG.I) Department, Dt. 21.12.2024.
8. G.O.Ms.No. 657, MA & UD Department, Dt. 23.12.2024.
9. G.O.Ms.No. 30, MA & UD (PLG.I) Department, Dt. 20.02.2025.
10. Letter with respect to transfer of land from Government, Dt. 23.07.2025.
11. Draft Detailed Term Sheet for Bond issuance, Dt. 29.09.2025.
12. From the Metropolitan Commissioner, Hyderabad Metropolitan Development Authority, Hyderabad, Lr.No. 25/Accts/Budget/ HMDA/2024, Dt. 28.10.2025.

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ORDER

The Metropolitan Commissioner, Hyderabad Metropolitan Development Authority, Hyderabad in his letter first read above, has proposed to mobilize funds up to ₹20,000 crore through the issuance of non-convertible bonds ("Bonds") in one or more tranches for major infrastructure development in the Hyderabad Metropolitan Development Authority area, in compliance with the Securities and Exchange Board of India (SEBI) (Issue & Listing of Non-Convertible Securities) Regulations, 2021.

2. In the G.O.7th read above, Government have accorded approval to MC, HMDA to mobilize upto ₹20,000 crores through the issuance of debt bonds ("Bonds") in one or more tranches over the next 18 months for the execution of major infrastructure projects, along the lines of the methodology adopted by TGIIC, duly according permission to appoint a Transaction Advisor (TA) to facilitate the process of raising the Bonds.

3. Accordingly, for this purpose, M/s Trust Investment Advisors Private Limited was appointed on 29.03.2025 in the G.O. 9th read above as the Transaction Advisor for Hyderabad Metropolitan Development Authority. Consequently, Hyderabad Metropolitan Development Authority has decided to issue Bonds for an amount of Rs. 5,000 crores as a first tranche with due diligence.

4. Further, the Transaction Advisor has emphasized that the issuance of certain Government Orders (GOs) is a critical pre-requisite for proceeding with the proposed issuance of Bonds, along with the approval of draft detailed Term Sheet submitted in the 11th read above, for Bonds issuance.

P.T.O.

5. The Metropolitan Commissioner, Hyderabad Metropolitan Development Authority, Hyderabad in his letter on the 12th read above has requested the Government to issue necessary orders, duly according permission to expedite the bonds issuance process and strengthen the credibility of HMDA towards the potential investors.

6. The Metropolitan Development Authority is empowered to borrow money by way of loans, debentures or bonds or in any manner from any other source other than the Government, under sub-section (3) of section 40 (under Chapter VII Finance, Accounts, Budget and Audit) of Hyderabad Metropolitan Development Authority Act, 2008 (Act No. 8 of 2008).

7. After careful examination of the matter, in the light of the above provisions of the Act, the Government hereby accords, extends and approves the following:

(I) Government Guarantee: (i) HMDA is permitted to secure the Bonds by way of an unconditional and irrevocable guarantee of the State Government of Telangana for timely payment of principal and interest until redemption of the Bonds, (ii) HMDA is permitted to execute a Deed of Guarantee cum Undertaking in favour of the Debenture Trustee, to be signed by the State Government, HMDA and the Debenture Trustee.

(II) Establishing / operating of accounts and collection of tolls/ revenues / fees / charges by HMDA – To authorize HMDA:

(i) HMDA is authorized to levy and collect Impact Fees within 3 km on each side of Radial Roads at:

(a) INR 100 (one hundred) per square feet of built-up area within the first 1 (one) kilometer radius, and
(b) INR 50 (fifty) per square feet beyond 1 (one) and within 3 (three) kilometer radius, upon completion of 50% (fifty per cent) of the total construction of the Radial Roads,

(ii) HMDA is authorized to levy and collect toll charges on Elevated Corridors and Radial Roads as per applicable rules.

(iii) HMDA is authorized to retain all toll, impact fee revenues, and land sale proceeds from designated assets as its income and grant exclusive charge on such revenues/assets in favour of the Debenture Trustee.

(iv) HMDA is authorized to create and operate the following accounts and effect prescribed transfers by irrevocable standing instructions:

(a) Development Charges Master Collection Account (DMCA);
(b) Infrastructure Revenue Collection Account (IRCA);
(c) Bonds Servicing Account (BSA); and
(d) Debt Service Reserve Account (DSRA).

(v) HMDA is permitted to create exclusive charges/hypothecation over DMCA, IRCA, BSA, DSRA and related balances to the extent of servicing requirements due on the next servicing date in favour of the Debenture Trustee for servicing the Bonds.

(vi) HMDA is permitted to transfer 85% of DMCA collections to IRCA on a daily basis for debt servicing to the extent of servicing requirement due on the next servicing date partially modifying the G.O.Ms.No.51, dt.05.02.1996 issued in the G.O. first read above.

(III) Mortgage: (i) HMDA is permitted for the absolute transfer of identified Government land parcels (Designated Land Bank) to HMDA at mutually agreed consideration, with waiver of applicable stamp duty, (ii) HMDA is authorized to mortgage the Designated Land Bank in favour of the Debenture Trustee for securing the Bonds, (iii) HMDA shall have free, unencumbered ownership and sale rights over land parcels mentioned in

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the Designated Land Bank, (iv) HMDA is permitted to replace or substitute the land parcels of equivalent value as a security cover of 1.25 times of the outstanding liabilities under the debentures / bonds at all points of time., if required, (v) HMDA is permitted to recognize the Designated Land Bank as an asset in its books of account, (vi) HMDA is permitted to sell one or more of the land parcels from the Designated Land Bank to deposit the proceeds from such sale in the IRCA and utilize the same in the manner agreed in the transaction documents to be executed in respect of the Bonds.

(IV) Other: (i) In the event of default or impairment in revenue collection, the Government shall take necessary steps, including compensation to HMDA, to ensure servicing capability. (ii) In the event of default or impairment in revenue collection, the Government shall take necessary steps, including compensation to HMDA, to ensure servicing capability. (iii) HMDA is authorized to assign/transfer rights, tolls, impact fees or other assets in favour of Debenture Trustee or third parties as per transaction documents upon default. (iv) Debenture Trustee permitted to undertake all actions for enforcement of security, including transfer/assignment of assets.

8. The Metropolitan Commissioner, Hyderabad Metropolitan Development Authority shall ensure the following:

a) Careful legal, valuation and feasibility examination of alienation & Mortgage of Government Land.
b) The Overall structuring must comply with Fiscal Responsibility and Budget Management (FRBM) norms, GoTG Guarantee policy, and debt sustainability parameters.
c) Detailed vetting of the term sheet, security structure, hypothecation of accounts and long-term liabilities.
d) The terms and conditions of the Bonds /Debentures shall be vetted by the Law Department before issue.
e) To remit 2% of guarantee commission on the quantum of guarantee as per the RBI guidelines.

9. The Metropolitan Commissioner, Hyderabad Metropolitan Development Authority is authorized to take all necessary steps to implement the provisions of this G.O., including execution of transaction documents and powers of attorney.

10. This order issues with the concurrence of Finance (DCM) Department vide their U.O.No.3852/462/A2/DCM/2025, dated:31.12.2025 and Law Department vide their U.O.No.23/TLSP/2026, dated:05.01.2026.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

JAYESH RANJAN
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Metropolitan Commissioner,
Hyderabad Metropolitan Development Authority, Hyderabad.

Copy to:

The OSD to Secretary to Government, Metropolitan Area & Urban Development, (HMDA limits) (FAC)
The PS to Principal Secretary to Government, Finance Department.
The OSD to Chief Secretary to Government.
The OSD to Hon'ble Deputy CM (Finance)
O/o Special Secretary to Hon'ble C.M.
The G.A(Cabinet) Department.
The Finance (DCM) Department
The Law (E) Department.
Sc/Sf.

//FORWARDED BY ORDER//

SECTION OFFICER